

**Arizona Corporation Commission
Meeting Minutes**

DATE: December 15, 2005

TIME: 9:30 a.m.

PLACE: Arizona Corporation Commission, Hearing Room, 1200 W. Washington Street, Phoenix, Arizona 85007

ATTENDANCE: No quorum of Commissioners. See attendance list on Attachment 1.

TOPIC: DISTRIBUTED GENERATION WORKSHOPS
DOCKET NO. E-00000A-99-0431

The following documents were provided at the workshop:

- Staff's Draft Discussion Document dated December 15, 2005
- Comments from Arizonans for Electric Choice and Competition ("AECC") regarding Section 2.5 Non-Circumvention
- Comments from the Distributed Energy Association of Arizona ("DEAA") regarding Section 2.5 Non-Circumvention
- Draft Committee language for various sections of the Discussion Document contained in the "Progress Made" document dated December 15, 2005
- Draft Committee language regarding Section 1.1 Applicable Generating Facilities
- Redlined documents reflecting the changes that were agreed to at the last workshop for the committee's "Level 3 Study Track Process" document and the "Progress Made" document both dated November 16, 2005

Ms. Erinn Andreasen of Commission Staff welcomed the participants of the workshop, and each participant made a self-introduction. Mr. Tom Yost of Arizona Public Service ("APS") provided a brief presentation of the "Progress Made" document dated December 15, 2005, on behalf of the Committee. Mr. Yost indicated that he expects the Committee to wrap up its work during the first quarter of 2006.

The group began by discussing the Progress Made document. It was discussed that, under Section 1.4 Types of Generating Facilities, the words "also simultaneously" be removed from the first sentence of the section. Also, under the last sentence of the third paragraph under the Parallel System section, the words "as specified in each utility's manual" should be added. In addition, Staff asked for clarification regarding the last sentence under section (b) Islandable System that indicates that the ACC will revisit this section after successful balloting of IEEE Standard 1547.4. **Staff indicated that it would make a determination of whether this language would be adopted in the final document.** Several modifications were also made in this section to clarify that Separate Systems and Portable Generators are connected "with" the Utility's system.

Under Sections 2.1 and 2.2 Applicant Rights and Responsibilities and Utility Rights and Responsibilities, it was discussed that these sections have been rearranged and reworded. In addition, these sections are no longer considered hot topics.

Under Section 2.1 which has been renamed Customer Rights and Responsibilities, it was discussed that the wording in the second sentence of the first paragraph indicating that the “Customer has the right to expect prompt, courteous, clear, and reasonable responses from the utility at every step in the interconnection process” was not agreed to by the Committee. In addition, language in that same section addressing the Customer’s right to expect a cost estimate and justification prior to the utility undertaking any studies or system upgrades was not agreed to by the Committee. **Staff indicated that it would make a determination of whether this language would be adopted in the final document.**

Also under Section 2.1 Customer Rights and Responsibilities, it was discussed that under Section (f) the language “similarly as required by regular Utility/Customer connections” should be removed and reworded for inclusion in Section 2.2 Utility Rights and Responsibilities. Changes were also made to specify that the “manual” refers to the “Utility’s manual” and that the “DG applicant” should be the “Customer.”

Under Section 2.5 Non-Circumvention, the DG Advocates provided a handout with an alternate proposal regarding limits on a Utility’s use of use of Customer information. Bob Baltes from DEAA proposed replacing “to the other Party” in the last sentence of the definition of “Confidential Information” with “by the customer to the UDC, however, confidential information shall not include information on rates, tariffs, or controversial provisions, provided by the UDC to the customer.” Gary Mirich of Energy Strategies also provided a handout with draft language regarding Section 2.5 Non-Circumvention. The group did not reach consensus on Non-Circumvention Language. **Staff has requested position papers on this issue.**

Under Section 3.4 Equipment Certification, **it was discussed that certain dates were missing and would need to be added to the document.**

Under Section 3.6 which has been renamed to “Level 1 Super Fast Track Process,” the last sentence of the second paragraph should read: “Nothing in this process precludes the Customer from starting construction prior to contacting the Utility; however, the Customer accepts the risk of potentially needing to modify or substantially change the installation.” Also, under the last paragraph of Section (g) Inspection and Testing, “that any of” should be added to the first sentence. It was also discussed that the fees included in Section (j) “Correction (if necessary),” may need to be included in tariffs and the section title should be made plural.

The Committee indicated that it is still working on finalizing the “Level 2 Fast Track” and “Level 3 Study Track Process.”

Under Section 3.9 Disconnect from or Reconnect with the Grid Procedure, Section (e) should be renamed “Absence of Executed Interconnection Agreement.” Under that same section, the last sentence should be modified to read: “The Utility may refuse to connect or may disconnect the Customer’s Generating Facility if an executed Interconnection Agreement is not in effect.” There was disagreement over including the Section titled Incremental Demand Charges in this Section of the Document. **Staff indicated that it would make a determination of whether this language would be adopted in the final document.** Under the Section titled Agreement Survival Rights, after the word disconnection “or termination of electric service” should be added. Under the Section titled Duration and Termination of the Interconnect Agreement, it was agreed that section (d) should be removed. In addition, under Section (c) prior to the word “Default,” “breach or” should be added.

Under Section 4 Definitions, a definition should be added for “Disconnect Switch”. **The definition for “Disconnect Switch” provided in the Progress Made document will be revised by the Committee.**

It was also discussed that the table of contents in the Discussion Document should be changed to reflect the order of Topics that the Committee has suggested. The group agreed to the overall suggestions provided by the Committee.

The language provided in the handout for Section 1.1 Applicable Generating Facilities will be discussed in the Committee.

A workshop agenda will be forwarded to group prior to the next workshop.

Attendees at the Distributed Generation Workshop December 15, 2005	
<u>Name</u>	<u>Representing</u>
Erinn Andreasen	Commission Staff
Bob Baltes	Distributed Energy Association of Arizona
Torey Bell	Sulphur Springs Valley Electric Cooperative
Steve Bischoff	Arizona Public Service
Christine Brinker	Intermountain CHP Center
Chris Cook	ASPV/IREC/Sun Edison
David Couture	Tucson Electric Power
Travis Cunningham	Salt River Project
Greg Delizio	Arizona Public Service
Pauline Foley	Pinnacle West
Art Fregoso	Tucson Electric Power
Bryan Gernet	Arizona Public Service
Bill Henry	Tucson Electric Power
Barbara Keene	Commission Staff
Joe McGuirk	Sun Miner
Gary Mirich	Energy Strategies
Bill Murphy	Distributed Energy Association of Arizona
Brian O'Donnell	Southwest Gas
Bill Poulin	BP Solar
Valerie Rauluk	Greater Tucson Coalition for Solar Energy
Russ Romney	Curtis, Goodwin, Sullivan, Udall & Schwab
Jeff Schlegel	Southwest Energy Efficiency Project
Chuck Skidmore	City of Scottsdale
Aaron Stallings	Mohave Electric Cooperative
Geoff Sutton	ETA Engineering
Chris Weathers	Arizona Public Service
Daniel Wilson	Sulphur Springs Valley Electric Cooperative
Tom Yost	Arizona Public Service